

# TRADERS TO TREES

Serial entrepreneurs, **Andrew Skeene** and **Omari Bowers** have launched a successful investment company selling – well, trees

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**Andrew Skeene, co-founder**

of Global Forestry Investments has an unusual background for an entrepreneur and philanthropist. After failing to make the grade as a professional footballer with Crystal Palace, at 16, he began selling vacuum cleaners door-to-door. From there he moved into the retail sector, which was followed by a successful venture in the property market, where he established Positive Finance.

His business partner, Omari Bowers began his career with JP Morgan, as trade floor support. While working there, he started to purchase properties, renovate them and sell them on at a profit. He was running his own successful lettings and management office by the time he was 28.

It was at this point he met Skeene, who was running a similar business and they started working on projects together.

Five years ago, Skeene and Bowers were busy making their fortunes, riding high on the crest of the property wave. However, when the market started to crumble, they realised it was time to look for other opportunities. It was around this time that they stumbled on the notion of forestry investments.





Skeene and Bowers swapped desks for forests

### The next step

After following movements by the banks and hedge funds into emerging markets such as Brazil, Russia, India and China, the two entrepreneurs took six months out to travel the globe and research trends in land, farming and cattle purchase. As a test, they purchased a plot of land in Matto Grosso, Brazil to see if they could turn a profit. The land happened to hold a small teak farm.

Bowers explains: 'What fascinated us at the time was how farmland as an asset, had been historically overlooked by investors and yet over the past 20 years, forestry investments had grown at a rate of 20 per cent per annum. It was as if we had stumbled on a whole new property market – but instead of developing houses it was all about developing trees.'

Global Forestry Investments was created as an ethical investment company. It focuses on sustainability in the Brazilian forestry industry, protecting the land for future generations and helping to change the world by planting one tree for each one felled.

Skeene explains further: 'We heavily researched the industry, carried out intensive due diligence and found teak to be a reliable commodity. This led us to found Global Forestry Investments (GFI) in 2007.'

On doing business in Brazil for the first time, Bowers says: 'It was intimidating at first but we did a lot of due diligence. We researched a number of markets and really spent time building up our





knowledge base.

'Ultimately, doing business out there has been the same as in the UK in many ways, although, obviously there are differences. Some of the simple things we take for granted in the UK can take time in Brazil and are done differently. However, we have the right people on the ground - people with great local knowledge - and that has really benefited us.'

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**How it works**

GFI purchases forestry land in emerging markets and plants teak trees on it. The company then offers investors the opportunity to purchase teak trees - in particular at the current plantations in Para, in the Northern territories of Brazil. GFI maintains the trees until they are fully mature and ready to be sold to market.

Skeene says: 'I remember chatting to Omari on the flight over to Brazil, we were like two excited schoolboys obsessed with the potential of the teak market. About a week or so later, when we were flying home, we were like two different people. Rather than talking about the investment opportunities we talked about how GFI could help rebuild people's lives and combat climate change.'

As it continues to grow, GFI purchases forestry land in emerging markets and plants more trees. The company then sell sections of tree-covered land to investors. For each tree an investor purchases, GFI will purchase a new tree in a protected area. The trees it plants will remain completely untouched and go towards reforesting the depleted Brazilian rainforest.

**The future - and the philanthropy**

Investor's trees are left to grow until they are mature and ready to be sold. At present the company is dealing with teak, which takes roughly 20 to 25 years to mature. When the trees are ready to be sold to market, an investor will have hoped to have made a return of around 10 to 20 percent per annum on the original investment.

Throughout the process, GFI takes care of the land and manages the trees. The company offers a long term investment opportunity, perfect for smaller investors

who are perhaps looking to choose an ethical and sustainable investment for their children and grand children. The minimum purchase is £5,000 which will buy 100 trees. Dividends are paid every three years when the trees go through a thinning process and offcuts of timber are sold for plywood.

GFI is determined to give something back to the local communities, by contributing ten per cent of its profits to build a school and establish soccer and performing arts academies locally. There are also plans to build a village to house up to 150 people in Para where the latest plantation is. Both partners are extremely passionate about this community project, and want to make a real difference to the lives of local communities.

Bowers says: 'We really want to make sure that these kids get the best possible education and opportunities in life. It isn't often you get the opportunity to genuinely help people and this is something we are so excited about.'

'Once the school is up and running, we are also planning to build a football

academy and a performing arts school - hopefully as GFI grows we can replicate this model across the country.'

**Making it work**

The company has four offices, in Brazil, London, New York and Dubai where potential investors can obtain advice. It also regularly runs open evenings at the London offices, where potential investors can come by, ask questions and gain a deeper insight into the Brazilian teak projects.

These days, GFI provides investors with a relatively easy entry into Brazil, one of the most noted growth markets in the world. More fascinating still is the fact that it is not the off-shoot of some large multi-national - rather, the realisation of a long-held ambition of two entrepreneurs seeking an investment opportunity.

Skeene explains what drives him now: 'It's a dream come true. If you'd told us 10 years ago that we would end up doing this I would have called you mad, but now that we are here I couldn't imagine doing anything else that could be this rewarding.'

'We are trying to spread awareness of the issues faced by the local communities in and around the areas where we are working. Obviously as entrepreneurs, there is a money aspect. But equally important to us is making a positive difference to the local community - there is a strong ethical side to what we are doing.'

Bowers agrees: 'When we started out on this adventure we had no idea that we would be having such a positive impact on the environment. But now that we are, we just can't get enough of it.'



The GFI team with some of the local kids they're helping to educate

**CONTACT**

[www.globalforestryinvestments.com](http://www.globalforestryinvestments.com)